

**Commodity Fact Sheet**

May 1996

Flue-Cured TobaccoSummary of 1996 Support Program
and Related Information**Statutory Authority**

Farm marketing quotas on an acreage-poundage basis are in effect for 1996-crop flue-cured tobacco (types 11-14). Since 1965, the Agricultural Adjustment Act of 1938, as amended, provides for acreage-poundage quotas. The statutory authority was further amended in 1986 to revise the formulas for the marketing quota and price support level. By 98.7 percent, producers voting in a January 1995 referendum approved the program for the 1995-97 crops. The marketing year for flue-cured tobacco begins July 1.

**Acreage-Poundage
Marketing Quotas**

The national acreage allotment for 1996 is 418,391 acres, and the national marketing quota for the 1996 crop is 873.6 million pounds, 6 percent below 1995. The effective marketing quota is about 944 million pounds, 2 percent more than the 1995 quota; this includes adjustment to reflect undermarketings and overmarketings of farm quotas of previous years. Under acreage-poundage marketing quotas, if the marketings from a farm are less than the poundage quota for the farm, the difference is added to

the farm's quota (both acres and pounds) for the next year. Marketings above a farm's poundage quota are deducted from the next year's quota.

Loan Level

The national support level for the 1996 crop flue-cured tobacco is 160.1 cent per pound, 0.4 cent above that for 1995. USDA sets individual grade rates before the marketing season begins.

Assessments

As a condition of price support eligibility, both flue-cured tobacco producers and buyers must agree to pay a no-net-cost assessment. An assessment of 0.1995 cent per pound applies to producers, while 0.9995 cent per pound applies to buyers for the 1996 crop. The 1996 marketing assessment amounts to 0.8005 cent per pound on both producers and purchasers. For the 1996 crop marketings, the combined assessments total 1.0 cent per pound for the producer and 1.8 cents per pound for the purchaser.

Support Method

The price support program is available to growers for eligible grades through the Flue-Cured

Tobacco Cooperative Stabilization Corporation (Stabilization) under contractual terms with USDA's Commodity Credit Corporation (CCC). Stabilization automatically buys the tobacco not sold at the support rate, using funds loaned by CCC. Up to 103 percent of a farm's poundage quota is eligible for support.

Warehouses

Flue-cured growers are required to designate the auction warehouse(s) at which they will market their 1996 crop to be eligible for price support. Producers are required to certify that pesticides used to produce their tobacco crop have been approved by the Environmental Protection Agency and that these products have been used in accordance with label directions.

Loan Inventory

On November 1, 1995, Stabilization held 382 million pounds of tobacco (farm sales weight) valued at \$552 million. At the beginning of the year, the inventory totaled 386 million pounds and was valued at \$685 million. All of the pre-1994 stocks are committed to be purchased by manufacturers over a seven-year period ending in 2001.

Commodity Fact Sheet

Flue-Cured Tobacco

Crop Year	National Marketing Quota (million lbs.)	Production (million lbs.)	National Average Support Price (cents per lb.)	No-Net-Cost Assessment Producers Buyers (cents per lb.)		Average Price to Farmers (cents per lb.)	Farm Value (million \$)
1960		1,251	55.5			60.4	755.9
1961		1,258	55.5			64.3	808.2
1962		1,408	56.1			60.1	846.1
1963		1,371	56.6			58.0	795.3
1964		1,388	57.2			58.5	811.8
1965	1,126	1,059	57.7			64.6	684.4
1966	1,135	1,108	58.8			66.9	741.6
1967	1,126	1,250 ¹	59.9			64.2	810.8
1968	1,128	996	61.6			66.6	653.5
1969	1,127	1,053	63.8			72.4	761.9
1970	1,072	1,178	66.6			72.0	859.1
1971	1,072	1,076	69.4			77.2	832.4
1972	1,071	1,022	72.7			85.3	863.5
1973	1,179	1,159	76.6			88.1	1,021.1
1974	1,297	1,245	83.3			105.0	1,307.3
1975	1,491	1,415	93.2			99.8	1,412.2
1976	1,268	1,316	106.0			110.4	1,452.9
1977	1,116	1,124	113.8			117.6	1,321.8
1978	1,117	1,206	121.0			135.0	1,628.1
1979	1,095	946	129.3			140.0	1,324.4
1980	1,094	1,086	141.5			144.5	1,569.3
1981	1,013	1,144	158.7			166.4	1,903.6
1982	1,013	994	169.9	3.0		178.5	1,775.3
1983	910	855	169.9	7.0		177.9	1,521.0
1984	804	850	169.9	7.0		181.1	1,539.0
1985	775	792	169.9 ²	25.0		171.9	1,361.1
1986	728	667	143.8	2.5	1.5	152.7	1,018.5
1987	707	683	143.5	2.0	2.0	158.7	1,084.9
1988	755	796	144.2	1.13 ³	1.13 ³	161.4	1,283.9
1989	891	838	146.8	1.12 ³	1.12 ³	167.4	1,402.8
1990	878	920	148.8	1.0	1.0	167.3	1,539.3
1991	878	883	152.8	1.0 ⁴	1.0 ⁴	172.3	1,521.4
1992	892	901	156.0	1.0 ⁴	1.0 ⁴	172.6	1,555.1
1993	892	892	157.7	1.0 ⁴	3.0 ⁴	168.1	1,499.5
1994	803	807	158.3	3.0 ⁴	5.0 ⁴	169.8	1,370.3
1995	935	855	159.7	0.8 ⁴	1.8 ⁴	179.4	1,533.9
1996	874	900	160.1	1.0 ⁴	1.8 ⁴		

¹ Marketing data beginning 1967.

² Effective support at 165.0 cents by reduction of certain grades.

³ Includes budget deficit assessment (1988 and 1989).

⁴ Includes marketing assessment equal to 0.5 percent of price support level beginning in 1991.

Crop Year	Acreage Harvested (thousand acres)	Yield Per Acre (pounds)	Domestic Use (million lbs.)	Exports ¹ (million lbs.)	Ending Carryover (million lbs.)
1960	691.8	1,808	792	475 ¹	2,090
1961	698.5	1,801	782	485	2,081
1962	729.8	1,930	777	431	2,281
1963	694.5	1,975	768	498	2,386
1964	627.6	2,211	775	444	2,555
1965	562.3	1,883	752	423	2,439
1966	607.3	1,825	687	587	2,273
1967	610.3	2,070	688	533	2,302
1968	533.0	1,841	672	525	2,100
1969	576.8	1,825	646	535	1,972
1970	584.1	2,042	640	534	1,976
1971	525.8	2,050	663	480	1,910
1972	513.6	1,971	664	519	1,749
1973	575.1	2,011	703	598	1,607
1974	616.3	2,014	652	548	1,652
1975	717.2	1,973	671	522	1,898
1976	666.6	1,974	634	514	2,075
1977	589.3	1,917	608	539	2,052
1978	602.1	2,046	584	599	2,075
1979	502.8	1,881	563	520	1,965
1980	555.1	1,957	530	509	2,013
1981	540.6	2,164	489	523	2,145
1982	473.3	2,126	479	456	2,205
1983	409.8	2,004	612 ²	282 ²	2,165
1984	392.0	2,206	530 ²	405 ²	2,080
1985	357.1	2,241	535 ²	376 ²	1,958
1986	308.3	2,091	480	393	1,752
1987	324.6	2,129	537	385	1,513
1988	366.4	2,219	522	363	1,424
1989	391.0	2,069	567	387	1,308
1990	416.9	2,253	609	403	1,216
1991	402.6	2,265	471	403	1,224
1992	401.5	2,257	509	420	1,196
1993	400.1	2,217	433	359	1,295
1994	359.5	2,420	569	346	1,187
1995	386.2	1,926	560 ³	370 ³	1,112

¹ Census data, except 1983-85.

² Reflects adjustment for purchases by cigarette manufacturers.

³ Estimated

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